

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF:	)	
	)	
MORRIS MALONE JOHNSON, JR.	)	ADMINISTRATIVE ORDER
	)	NO. OB-2001-0019
<u>RESPONDENT</u>	)	

ORDER OF BAR

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows:

RESPONDENT

1. MORRIS MALONE JOHNSON, JR. ("RESPONDENT") was a registered agent of Prudential Securities, Inc., in the State of Alabama, from December 2, 1996, to February 23, 1999, with a residence address of 1503 Sparkman Drive, Apt. E39, Huntsville, AL 35816. He is not currently registered as a securities agent in the State of Alabama.

STATEMENT OF FACTS

2. On February 7, 2001, the Commission received information that the National Association of Securities Dealers Regulation (NASDR) had barred RESPONDENT from the securities industry.
3. By letter dated February 13, 2001, the NASD furnished the following information to the Commission:

- a) During the period from May 1998, through January 1999, RESPONDENT executed eight unauthorized purchases and sales of securities in the account of a client, and in two custodial accounts for the benefit of the clients' children. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by RESPONDENT.
  - b) During the period from April 1998 through January 1999, RESPONDENT executed 22 unauthorized purchases and sales of securities in the account of a second customer. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by RESPONDENT.
  - c) By letters dated June 25, 1999 and July 15, 1999 and July 30, 1999, the NASD District 5 staff requested that RESPONDENT provide certain information to the staff. These requests for information were sent pursuant to, and in accordance with the provisions of Procedural Rule 8210. RESPONDENT failed to respond to the above requests. Such acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 and Procedural Rule 8210 by RESPONDENT.
4. On November 28, 2000 on each cause of the above complaint, RESPONDENT was barred from any association with any NASD member firm in any capacity.

#### CONCLUSIONS OF LAW

5. Pursuant to Section 8-6-3(j) Code of Alabama 1975, the Commission may by order, deny, suspend or revoke any registration, or censor or bar any applicant or registrant or any officer, director, partner or person occupying a similar status or

performing similar functions for a registrant, from employment with a dealer or investment adviser, or restrict or limit a registrant as to any function or activity of the business for which registration is required in the state if the Commission finds that the order is in the public interest, and that the applicant or registrant or, in the case of a dealer or investment adviser, any partner, officer or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the dealer or investment adviser: is the subject of an order, adjudication or determination entered within the past 10 years by an administrator of another state alleging that the person has violated the securities law of any other state, and alleging that the order is based on facts which would currently constitute a ground for an order under the Alabama Securities Act.

6. RESPONDENT is the subject of Default Decision issued by the NASDR based on facts which would currently constitute a ground for an order under Section 8-6-17, Code of Alabama 1975, by engaging in fraud in the sale of securities.
7. The NASDR Default Decision (No. C05000026) dated November 28, 2000, and the Decision, Findings of Fact, Rulings of Law and Conclusions, Mitigating Factors and Recommendations, are included herein by reference, and appended to this order as Attachment A.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

**ACCORDINGLY, IT IS HEREBY ORDERED** that RESPONDENT MORRIS MALONE JOHNSON, JR. be **BARRED** from registration or engaging in any securities activities into, within or from the state of Alabama.

Entered at Montgomery, Alabama this 2nd day of May, 2001.



ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
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(334) 242-2984

BY:

A handwritten signature in dark ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is stylized with long, sweeping strokes.

JOSEPH P. BORG  
Director